

# COVID-19 Accounts Receivable Management Frequently Asked Questions

Maintained and updated by DAS Statewide Accounts Receivable Management (SWARM)

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Because of the declared State of Emergency due to the COVID-19 virus and the resulting economic impacts of business closures and forced layoffs of employees, SWARM is providing this FAQ to help agencies understand options available to balance the needs of Oregon citizens with agency responsibility to collect debts owed to the State of Oregon. This FAQ will be updated as new information or more questions are received.

## **1. Payment Plans**

Q1.1: If a debtor on a payment plan has had their (or their household) income impacted from COVID-19 and requests a deferred payment option, is my agency allowed to approve such a request?

A1.1: [OAM 35.30.60](#) provides agencies the authority to establish a payment plan agreement to collect a state debt. The policy requires agencies to establish guidelines for agency staff to use when establishing a payment plan. Agency guidelines may be temporarily modified given the unforeseen impacts of COVID-19 to allow the flexibility to modify payment plans due to extenuating circumstances. Examples of payment plan modification may be in the form of a temporary reduction in the payment amount or may allow a “skipped payment” (that can be added to the end of the repayment schedule). SWARM recommends that agencies consider whether and what documentation the agency should require to confirm the impacts of COVID-19 on the debtors (or their household) income. SWARM also recommends that any modification be limited to a 30 day period at a time, subject to re-evaluation if the debtor’s circumstances still require. Agencies subject to ORS 293.231 must still follow the requirement to assign a debt to the Department of Revenue if no payment is received for 90 days. Agencies should provide written communication with the debtor regarding the terms of the modified payment plan and include the required items in OAM 35.30.60 paragraph 107, including notice to the debtor that failure to adhere to the payment plan may result in the balance of the debtor’s account being assigned to the Oregon Department of Revenue for collection.

## **2. Garnishments (issued by the Agency)**

Q2.1: If a debtor contacts an agency requesting a release (temporary or otherwise) from a wage garnishment due to their (or their household) income being impacted from COVID-19, what should we do?

A2.1: Since a release of garnishment would remove the agency’s priority in collection, SWARM does not recommend issuing a release of garnishment. Instead, agencies may issue a temporary hold of garnishment form that instructs the employer to stop withholding until a reinstatement notice is issued by the agency. Agencies are not required to issue such a hold, but may consider it as a possibility when requested by the debtor. Agencies should document the requisite internal approval process for such requests which specify the period of time for the temporary change in policy.

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The agency should document the debtor's request and the agency's response in writing. If approved, in accordance with agency policy, the agency's response must state:

- That the garnishment is being suspended for 30 days at the debtor's request.
- That the debt will continue to accrue interest and that the debtor will remain fully liable for the debt and all accrued interest.
- That the debtor's employer will be required to honor the garnishment after the 30-day period expires.

If approved, the agency must notify the employer in writing that it is not required to send any garnishment payments to the agency from any earnings paid to the debtor through \_\_\_\_\_[date]. However, the garnishment remains in effect and the employer is required to honor the garnishment by withholding the appropriate amounts from any earnings paid to the debtor after that date.

It should be noted that if an agency chooses to issue a temporary hold on a garnishment, that in the event there are any secondary garnishments (such as from a private creditor), the secondary garnishment would likely have to be honored by the employer during the period of the agency's suspension.

### **3. ARPM Reporting Due Date**

Q3.1: COVID-19 has resulted in a significant number of agency staff to work from home. This in turn may hinder timely reporting. Will SWARM extend the Accounts Receivable Performance Measure (ARPM) reporting due date beyond April 30, 2020?

A3.1: At this time there is no plan to unilaterally extend the reporting deadline, however the COVID-19 situation is very fluid and that can change in the future. If your agency staff have workload impacts or have extended leave due to COVID-19, the agency may request an extension by emailing [SWARM@oregon.gov](mailto:SWARM@oregon.gov) to request an extension by providing the reason for the request and a date by when the agency is able to submit their report.